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ANNUAL FINANCIAL REPORT  
OF THE  
TOWN OF GRAND COTEAU, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/27/02

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 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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John Newton Stout, CPA  
 1998

Dwight Ledoux, CPA  
 1998

INDEPENDENT AUDITOR'S REPORT

The Honorable Jean C. Coco, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient competent evidential matter of the Town of Grand Coteau's fines and forfeits which is significant to the financial statements and is stated at \$12,732 in General Fund revenue as of June 30, 2001.

Because of the inadequacy of accounting records on general fixed assets, we were unable to form an opinion regarding the amounts at which the General Fixed Assets Account Group are recorded in the accompanying balance sheet at June 30, 2001 (stated at \$1,069,646).

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the accounting records of the General Fixed Assets Account Group been adequate and had we been able to examine evidence regarding the fines and forfeits, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Grand Coteau, Louisiana, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Jean C. Coco, Mayor  
and Members of the Board of Aldermen  
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In accordance with Government Auditing Standards, we have also issued a report dated February 6, 2002, on our consideration of the Town of Grand Coteau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Grand Coteau, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules for the years ended June 30, 2001 and 2000, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Grand Coteau, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," and the financial statements presented in the General Fixed Assets Account Group, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*John S. Dowling + Co.*  
Opelousas, Louisiana  
February 6, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE		ACCOUNT GROUPS			TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	AGENCY	GENERAL ASSETS	LONG-TERM DEBT	2001	2000	(MEMORANDUM ONLY)		
<b>ASSETS</b>													
Cash	\$84,702	\$20,844		\$266	\$28,513	\$10,439			\$144,764	\$283,489			
Investments				22,020	957				22,977	22,043			
Receivables, net of allowances for uncollectibles													
Taxes	1,290								1,290	2,469			
Accounts	13,120				46,710				59,830	59,626			
Intergovernmental	70,623								70,623	43,182			
Other	118			94		145			357	199			
Accrued interest						148			148	109			
Prepaid insurance						18,115			18,115	16,511			
Due from other funds	30,047	12,868			17,550	1,433			61,898	48,195			
Restricted assets													
Cash					104,520				104,520	95,123			
Investments					56,448				56,448	53,383			
Property, plant, and equipment, net of accumulated depreciation					2,609,233				\$1,069,646	3,760,893			
Amount to be provided for retirement of general long-term debt									\$9,177	13,348			
<b>Total assets</b>	<u>199,900</u>	<u>33,712</u>	<u>-0-</u>	<u>22,380</u>	<u>2,882,194</u>	<u>12,017</u>	<u>1,069,646</u>	<u>9,177</u>	<u>4,229,026</u>	<u>4,398,570</u>			

The accompanying notes are an integral part of these statements.

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
 JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY) 2001 2000
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PROPRIETARY FUND TYPE ENTERPRISE		GENERAL ASSETS	GENERAL LONG-TERM DEBT		
<b>LIABILITIES</b>									
Accounts payable	\$6,799			\$8,794	\$4,805			\$15,593	\$16,320
Accrued expenses								4,805	8,160
Payable from restricted assets									
Accrued interest				6,862				6,862	7,150
Revenue bonds				27,598				27,598	26,495
Customers' deposits				39,946				39,946	40,327
Due to other funds		\$400	\$100	45,423	7,212			61,898	48,195
Long-term debt									
Revenue bond payable				561,250				561,250	589,242
Capital leases payable							\$9,177	9,177	13,348
Total liabilities	<u>15,562</u>	<u>400</u>	<u>100</u>	<u>689,873</u>	<u>12,017</u>	<u>-0-</u>	<u>9,177</u>	<u>727,129</u>	<u>749,237</u>
<b>FUND EQUITY</b>									
Contributed capital				2,637,879				2,637,879	2,637,879
Investment in general fixed assets						\$1,069,646		1,069,646	1,038,284
Retained earnings (deficit)									
Reserved				86,562				86,562	74,534
Unreserved				(532,120)				(532,120)	(405,083)
Fund Balance			22,280					22,280	21,399
Reserved	184,338	33,312						217,650	282,320
Unreserved	184,338	33,312	22,280	2,192,321	-0-	1,069,646	-0-	3,501,897	3,649,333
Total fund equity	<u>199,900</u>	<u>33,712</u>	<u>22,380</u>	<u>2,882,194</u>	<u>12,017</u>	<u>1,069,646</u>	<u>9,177</u>	<u>4,229,026</u>	<u>4,398,570</u>
Total liabilities and fund equity									

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	2001	(MEMORANDUM ONLY) 2000
<u>REVENUES</u>						
Taxes	\$61,554	\$70,005			\$131,559	\$118,896
Licenses and permits	34,659				34,659	27,891
Intergovernmental	346,754	295,350			642,104	619,072
Fines and forfeits	12,732				12,732	34,080
Miscellaneous revenues	<u>29,391</u>	<u>30</u>		<u>\$881</u>	<u>30,302</u>	<u>21,977</u>
Total revenues	<u>485,090</u>	<u>365,385</u>	<u>-0-</u>	<u>881</u>	<u>851,356</u>	<u>821,916</u>
<u>EXPENDITURES</u>						
Current						
Executive and administrative	147,872	296,050			443,922	371,066
Street department	124,264				124,264	120,424
Police department	219,103				219,103	186,015
Fire department	16,351				16,351	34,589
Park department	6,822				6,822	6,965
Capital projects						3,108
Debt service						
Principal retirement						20,712
Interest						1,018
Capital lease payments						<u>5,392</u>
Total expenditures	<u>514,412</u>	<u>296,050</u>		<u>-0-</u>	<u>816,431</u>	<u>749,289</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	6,197		5,969		12,166	131,794
Operating transfers out	<u>(29,880)</u>	<u>(81,000)</u>			<u>(110,880)</u>	<u>(102,435)</u>
Total other financing sources (uses)	<u>(23,683)</u>	<u>(81,000)</u>	<u>5,969</u>	<u>-0-</u>	<u>(98,714)</u>	<u>29,359</u>

The accompanying notes are an integral part of these statements.

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES (CONTINUED)  
YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				TOTALS	
GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(MEMORANDUM ONLY)	2001	2000
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	\$(53,005)	\$(11,665)	\$881	\$101,986		
<u>FUND BALANCE, beginning of year</u>	<u>237,343</u>	—	<u>21,399</u>	<u>303,719</u>	<u>201,733</u>	
<u>FUND BALANCE, end of year</u>	<u>184,338</u>	<u>-0-</u>	<u>22,280</u>	<u>239,930</u>	<u>303,719</u>	

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2001

	GENERAL FUND		SPECIAL REVENUE FUNDS		TOTALS	
	BUDGET	ACTUAL	BUDGET	ACTUAL	(Memorandum Only) 2001	2000
<u>REVENUES</u>						
Taxes	\$52,249	\$61,554	\$66,101	\$70,005	\$131,559	\$118,896
Licenses and permits	30,010	34,659			34,659	27,891
Intergovernmental	303,170	346,754	302,717	295,350	642,104	619,072
Fines and forfeits	5,788	12,732			12,732	34,080
Miscellaneous	21,170	29,391		30	29,421	21,265
<u>Total revenues</u>	<u>412,387</u>	<u>485,090</u>	<u>368,818</u>	<u>365,385</u>	<u>850,475</u>	<u>821,204</u>
<u>EXPENDITURES</u>						
Current						
Executive and administrative	138,015	147,872	303,378	296,050	443,922	371,066
Street department	118,678	124,264			124,264	120,424
Police department	225,463	219,103			219,103	186,015
Fire department	21,542	16,351			16,351	34,589
Park department	22,489	6,822			6,822	6,965
<u>Total expenditures</u>	<u>526,187</u>	<u>514,412</u>	<u>303,378</u>	<u>296,050</u>	<u>810,462</u>	<u>719,059</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	9,195	6,197			6,197	104,672
Operating transfers out	(27,154)	(29,880)	(103,593)	(81,000)	(110,880)	(102,435)
<u>Total other financing sources (uses)</u>	<u>(17,959)</u>	<u>(23,683)</u>	<u>(103,593)</u>	<u>(81,000)</u>	<u>(104,683)</u>	<u>2,237</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(131,759)</u>	<u>(53,005)</u>	<u>(38,153)</u>	<u>(11,665)</u>	<u>(64,670)</u>	<u>104,382</u>
<u>FUND BALANCE, beginning of year</u>		<u>237,343</u>		<u>44,977</u>	<u>282,320</u>	<u>177,938</u>
<u>FUND BALANCE, end of year</u>		<u>184,338</u>		<u>33,312</u>	<u>217,650</u>	<u>282,320</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 2001

	<u>2001</u>	<u>(MEMORANDUM ONLY)</u> <u>2000</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$384,173	\$348,435
<u>Net charges for services</u>	384,173	348,435
Miscellaneous income	<u>1,332</u>	<u>3,625</u>
<u>Total operating revenues</u>	<u>385,505</u>	<u>352,060</u>
<u>OPERATING EXPENSES</u>		
Personal services	60,038	67,401
Contractual services	211,129	85,655
Materials and supplies	33,261	15,892
Other expenses	142,490	84,353
Depreciation	<u>120,911</u>	<u>121,316</u>
<u>Total operating expenses</u>	<u>567,829</u>	<u>374,617</u>
<u>OPERATING LOSS</u>	<u>(182,324)</u>	<u>(22,557)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	5,030	4,182
Interest expense	<u>(36,430)</u>	<u>(38,486)</u>
<u>Total nonoperating expenses</u>	<u>(31,400)</u>	<u>(34,304)</u>
<u>LOSS BEFORE OPERATING TRANSFERS</u>	<u>(213,724)</u>	<u>(56,861)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>		
Operating transfers in	98,715	13,001
Operating transfers out	<u>          </u>	<u>(42,360)</u>
<u>Total operating transfers in (out)</u>	<u>98,715</u>	<u>(29,359)</u>
<u>NET LOSS</u>	<u>(115,009)</u>	<u>(86,220)</u>
<u>RETAINED EARNINGS (DEFICIT), beginning of year</u>	<u>(330,549)</u>	<u>(244,329)</u>
<u>RETAINED EARNINGS (DEFICIT), end of year</u>	<u>(445,558)</u>	<u>(330,549)</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 2001

	<u>2001</u>	<u>(MEMORANDUM ONLY)</u> <u>2000</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$387,867	\$347,278
Cash payments to suppliers for goods and services	(377,589)	(201,918)
Cash payments to employees for services	<u>(60,038)</u>	<u>(67,401)</u>
<u>Net cash provided (used) by operating activities</u>	<u>(49,760)</u>	<u>77,959</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers in from other funds	98,715	13,001
Operating transfers out to other funds	<u>          </u>	<u>(42,360)</u>
<u>Net cash provided (used) for noncapital financing activities</u>	<u>98,715</u>	<u>(29,359)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(7,535)	(8,536)
Principal paid on revenue bonds and notes	(26,889)	(24,128)
Interest paid on revenue bonds and notes	<u>(36,718)</u>	<u>(39,021)</u>
<u>Net cash used for capital and related financing activities</u>	<u>(71,142)</u>	<u>(71,685)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(3,118)	(2,580)
Interest earned on investments	<u>4,991</u>	<u>4,174</u>
<u>Net cash provided by investing activities</u>	<u>1,873</u>	<u>1,594</u>
<u>NET DECREASE IN CASH</u>	(20,314)	(21,491)
<u>CASH AND CASH EQUIVALENTS, July 1, 2000</u>	<u>153,347</u>	<u>174,838</u>
<u>CASH AND CASH EQUIVALENTS, June 30, 2001</u>	<u>133,033</u>	<u>153,347</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating loss	\$(182,324)	\$(22,557)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	120,911	121,316
(Increase) decrease in accounts receivable	2,743	(4,793)
(Increase) decrease in prepaid insurance	(1,604)	(5,872)
(Increase) decrease in due from other funds	(456)	(3,145)
Increase (decrease) in accounts payable	4,731	(11,317)
Net increase (decrease) in customers' deposits	(381)	11
Increase (decrease) in due to other funds	<u>6,620</u>	<u>4,316</u>
<u>Total adjustments</u>	<u>132,564</u>	<u>100,516</u>
<u>Net cash provided (used) by operating activities</u>	<u>(49,760)</u>	<u>77,959</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices of the Town of Grand Coteau, Louisiana conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies and practices of the Town of Grand Coteau.

Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Grand Coteau for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Town to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Town of Grand Coteau is a primary government and the accompanying general purpose financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

Fund Accounting. The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

General Fund. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund. The Capital Projects Fund is used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds.

Proprietary Fund

Enterprise Funds. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund

Agency Fund. The Agency Fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt which are recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Revenues earned and expenses incurred are recognized in a government's proprietary funds in essentially the same manner as in commercial accounting. However, where the GASB has issued pronouncements applicable to entities and activities recognized in a government's proprietary funds, those entities and activities should be guided by the GASB pronouncements. Only minor adaptations are involved in applying the revenue realization and expense recognition principles in the governmental environment.

Cash and Investments. Louisiana statutes authorize the Town to invest in United States Treasury obligations, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and backed by the United States; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government instrumentalities, which are federally sponsored; and certificates of deposit.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

At June 30, 2001, the carrying amount of the Town's deposits was \$328,709. The bank balance of cash was \$258,552 and of investments was \$79,425. Investments are stated at cost or amortized cost, which approximates market. These investments consist of certificates of deposit. Of the bank balance, approximately \$200,000 is covered by federal depository insurance, and approximately \$137,977 is covered by securities held by the bank in the Town's name.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets and Long-term Liabilities. All items of property, plant, and equipment (including infrastructure general fixed assets) which do not constitute assets of the Enterprise Fund are recorded in the General Fixed Assets Account Group. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) and no depreciation is computed or recorded thereon.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

Property, plant, and equipment which constitute assets of the Enterprise Fund are recorded at cost and depreciation is computed thereon under the straight-line method of depreciation based on estimated useful lives of the individual assets.

Interest costs during construction, where applicable, are capitalized.

Bad Debts. Uncollectible amounts due for ad valorem taxes, miscellaneous liens, and sundry claims are recorded as bad debts through the establishment of an allowance account at the time information available indicates the uncollectibility of the particular receivable.

Allowance for uncollectible accounts receivable in the Enterprise Fund at June 30, 2001, is \$3,437.

Budgets and Budgetary Accounting. The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A public meeting is scheduled by the Town Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Town Council.
2. The budget must be finally adopted by the Council no later than 15 days prior to the last day of the preceding fiscal year.
3. The Mayor and Town Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The budgeted accounts shown in these financial statements as of June 30, 2001, were properly amended during a public meeting held on June 27, 2001.

Encumbrances. The Town does not employ the encumbrance system of accounting.

Inventory. The Town practices the policy of recording materials and supplies as expenditures or expenses when acquired. The Town does not record any of these items as inventory because the amount of the items in stock is insignificant.

Compensated Absences. The Town's policy is that employees earn and must use their vacation and sick leave as of the end of each fiscal year. Therefore, there is no provision for compensated absences at year-end.

Cash and Cash Equivalents. For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less that is considered available funds to be cash equivalents.

Total Columns. Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$30,047	\$8,763
Special Revenue Funds		
Sales Tax	12,868	
Housing Rehab		400
Capital Projects Fund		100
Enterprise Funds	17,550	45,423
Agency Fund		
Payroll Account	<u>1,433</u>	<u>7,212</u>
	<u>61,898</u>	<u>61,898</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(3) DEFICITS - IN INDIVIDUAL FUNDS

Enterprise Funds consist of the Gas, Water and Sewer Funds. The Enterprise Funds have a deficit retained earnings at June 30, 2001 as follows:

Enterprise Funds	
Gas Fund	\$21,912
Water Fund	26,730
Sewer Fund	<u>(494,200)</u>
<u>Total retained earnings (deficit)</u>	<u>(445,558)</u>

(4) RETIREMENT

The employees of the Town are covered by social security only. The Town does not contribute to any other retirement plan for its employees.

(5) CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of the statement of cash flows consist of the following:

Unrestricted assets	
Cash	\$28,513
Restricted assets	
Cash	<u>104,520</u>
<u>Total cash and cash equivalents</u>	<u>133,033</u>

(6) ACCOUNTS RECEIVABLE - ENTERPRISE FUND

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 2001. An accounts receivable aging schedule is as follows:

<u>Days</u>	<u>June 30, 2001</u>
0 - 30	\$31,149
31 - 60	8,405
61 - 90	3,530
91 and older	<u>4,179</u>
<u>Total accounts receivable</u>	47,263
Plus: sales tax receivable	2,884
Less: allowance for uncollectible accounts	<u>(3,437)</u>
<u>Net accounts receivable</u>	<u>46,710</u>

The amount of unbilled receivables as of June 30, 2001 was immaterial to the financial statements and is not included in accounts receivable.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(6) ACCOUNTS RECEIVABLE - ENTERPRISE FUND (Continued)

The number of residential and commercial customers as of June 30, 2001 are as follows:

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Gas	342	21	363
Water	403	51	454
Sewer	373	39	412

(7) AD VALOREM TAXES

For the year ended June 30, 2001, the Town of Grand Coteau levied a general tax of 5.67 mills on property with assessed valuation totaling \$2,375,900. Total tax levied was \$13,472. Taxes receivable at June 30, 2001 total \$1,290.

The Town's ad valorem tax, levied for the calendar year, is due on or before December 31, and becomes delinquent on January 1.

(8) RESERVES OF FUND EQUITY

The Town records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Town.

	Balance at June 30, <u>2001</u>
Enterprise Funds	
Reserved for customers' deposits	\$34,321
Reserved for bond retirement	<u>52,241</u>
	<u>86,562</u>

(9) DEDICATION OF SALES TAX PROCEEDS

Proceeds of the 1 percent sales and use tax are dedicated to the following purposes:

Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks, and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvements; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Grand Coteau, title to which shall be in the public.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(10) PROPRIETARY FUNDS - RESTRICTED ASSETS

Certain assets of the Enterprise Funds have been restricted for debt service and customers' deposits. These assets consist of cash and short-term investments restricted for the following:

Customers' deposits	\$74,267
Bond retirement - Reserve	14,858
Bond retirement - Sinking Fund	48,624
Bond retirement - Depreciation and Contingency	<u>23,219</u>
	<u>160,968</u>

(11) CONTRIBUTED CAPITAL

Contributed capital on June 30, 2001 consists of:

Gas Fund

Contributions from federal agencies	\$89,745	
Contributions from Town of Grand Coteau		
Special Revenue Funds	<u>951</u>	\$90,696

Water Fund

Contributions from federal agencies	<u>278,400</u>	278,400
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Sewer Fund

Contributions from federal and state agencies	2,261,404	
Contributions from Town of Grand Coteau		
Special Revenue Funds	<u>7,379</u>	<u>2,268,783</u>
		<u>2,637,879</u>

(12) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS

A summary of property, plant, and equipment of the Enterprise Funds at June 30, 2001 is as follows:

<u>Description</u>	<u>Life in</u> <u>Years</u>	<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u>	<u>Depreciation</u> <u>This Year *</u>
Land		\$24,000		\$24,000	
Waterworks and gas system	30	1,317,821	\$794,089	523,732	\$43,801
Sewer plant and line extensions	40	2,878,645	840,810	2,037,835	71,966
Equipment	3-5	39,400	34,521	4,879	3,249
Sewer building	15	<u>28,418</u>	<u>9,631</u>	<u>18,787</u>	<u>1,895</u>
<u>Total</u>		<u>4,288,284</u>	<u>1,679,051</u>	<u>2,609,233</u>	<u>120,911</u>

\* All assets are depreciated under the straight-line method.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(12) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS (Continued)

Changes During the Year

Balance, beginning of year	\$4,280,749	\$1,558,140
Additions:		
Gas system	7,535	
Depreciation	<u>                    </u>	<u>120,911</u>
Balance, end of year	<u>4,288,284</u>	<u>1,679,051</u>

(13) PROPRIETARY FUND CHANGES IN DEBT

The following is a summary of changes in Proprietary Fund debt for the year ended June 30, 2001:

<u>Description of Debt</u>	<u>Balance at July 1, 2000</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at June 30, 2001</u>
\$338,666 of Utilities Revenue Refunding Bonds dated April 1, 1989	\$280,822		\$19,908	\$260,914
\$225,000 of Sewer Revenue Bonds dated February 17, 1998	216,915		2,981	213,934
\$125,000 of Water Tower Project Bonds dated July 1, 1998	<u>118,000</u>	<u>—</u>	<u>4,000</u>	<u>114,000</u>
	<u>615,737</u>	<u>-0-</u>	<u>26,889</u>	<u>588,848</u>

The annual requirements to retire debt as of June 30, 2001, are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$27,598	\$35,313	\$62,911
2003	28,779	33,444	62,223
2004	31,046	31,494	62,540
2005	33,440	29,396	62,836
2006	35,936	27,129	63,065
2007-2011	190,512	95,855	286,367
2012-2016	64,241	52,404	116,645
2017-2021	49,093	34,672	83,765
2022-2026	36,418	25,547	61,965
2027-2031	45,588	16,377	61,965
2032-2036	<u>46,197</u>	<u>5,005</u>	<u>51,202</u>
	<u>588,848</u>	<u>386,636</u>	<u>975,484</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(14) PROPRIETARY FUND TYPE - FLOW OF FUNDS - RESTRICTION ON USE

Under the terms of the bond indentures on outstanding Utility Revenue Refunding Bonds dated April 1, 1989, all income and revenues of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

All revenues shall be deposited into a "Utilities Revenue Fund" to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system and for the following purposes:

(a) Each month, there will be set aside into a fund called the "Utilities Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. This deposit must be made on or before the 20th of each month.

(b) There shall also be set aside into a "Utilities Revenue Bond Reserve Fund" an amount equal to 5 percent of the amount to be paid into the Sinking Fund until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Utility Revenue Bond Sinking Fund and as to which there would otherwise be default.

(c) Funds will also be set aside into a "Utilities Depreciation and Contingency Fund" an amount equal to 5 percent of the amount to be paid into the Sinking Fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

(d) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purposes.

(15) CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 2001:

	Balance, July 1, <u>2000</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>2001</u>
Land	\$75,171			\$75,171
Buildings	205,354			205,354
Improvements other than buildings	404,902	\$28,490		433,392
Equipment	233,326	7,413	\$20,051	220,688
Other structures and improvements	<u>119,531</u>	<u>15,510</u>	<u>          </u>	<u>135,041</u>
<u>Total</u>	<u>1,038,284</u>	<u>51,413</u>	<u>20,051</u>	<u>1,069,646</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(16) GENERAL FIXED ASSETS

The Town of Grand Coteau does not have adequate accounting records on general fixed assets.

(17) GENERAL LONG-TERM DEBT - LEASES PAYABLE

The Town of Grand Coteau entered into a noncancellable capital lease with Applied Concepts Incorporated for a radar on March 12, 1998. The first monthly payment was due on July 1, 1998 with the final payment due on June 1, 2001. The agreement requires monthly payments of \$76.52 for thirty-six months. The cost, \$2,755, has been recorded in the General Fixed Assets Account Group and the lease payable is set up in the General Long-term Debt Account Group.

The Town of Grand Coteau entered into a noncancellable capital lease with Northeastern Leasing and Finance Corp. for a copier on June 5, 1998. The agreement requires monthly payments of \$185 for sixty months. The cost, \$11,140.50, has been recorded in the General Fixed Assets Account Group and the lease payable is set up in the General Long-term Debt Account Group.

The Town of Grand Coteau entered into a noncancellable capital lease with JDR Capital Corporation for a copier on September 10, 2000. The first monthly payment was due on September 21, 2000, with the final payment due on July 21, 2004. The agreement requires monthly payments of \$225.75 for sixty months. The cost, \$13,546, has been recorded in the General Fixed Assets Account Group and the lease payable is set up in the General Long-term Debt Account Group.

A summary of changes in long-term debt is as follows:

	Balance July 1, <u>2000</u>	<u>Additions</u>	<u>Payments</u>	Balance June 30, <u>2001</u>
Northeastern lease	\$4,641		\$1,758	\$2,883
Applied Concepts, Inc. lease	1,038		1,038	
JDR Capital Corp. lease	<u>7,669</u>	—	<u>1,375</u>	<u>6,294</u>
<u>Totals</u>	<u>13,348</u>	<u>-0-</u>	<u>4,171</u>	<u>9,177</u>

At June 30, 2001, future minimum rental payments required are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$3,639	\$1,290	\$4,929
2003	2,903	736	3,639
2004	2,413	296	2,709
2005	<u>222</u>	<u>3</u>	<u>225</u>
<u>Total minimum lease payments</u>	<u>9,177</u>	<u>2,325</u>	<u>11,502</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(17) GENERAL LONG-TERM DEBT - LEASES PAYABLE (Continued)

The Town of Grand Coteau, Louisiana also entered into an operating lease with Xerox Corporation for a copier on August 16, 1997. The agreement requires monthly payments of \$80.15. The payments are recorded as equipment lease in the General Fund.

(18) SEWER REVENUE BOND - FEBRUARY 17, 1995

A bond of \$225,000 was issued on February 17, 1995 for improvements on the Town's sewer system. The bond has a stated interest of 4 ½ percent and is payable over a forty year period. Commencing March 17, 1998 and on the 17th day of each month thereafter through February 17, 2035, monthly payments of \$1,032.75 will be due which will consist of fully amortized payments of principal and interest. Each payment shall be applied, first, to the payment of accrued interest; and second, to the payment of principal.

Actual monthly payments into the Sinking Fund during the interest only period depend on the schedule of advances of principal made to the Town during construction. However, monthly debt service payments into the Sinking Fund will not exceed \$843.75. The Town will also have to make monthly payments of \$43 into a Reserve Fund and \$43 into a Contingency Fund. The payments into the Reserve Fund will continue until an amount equal to one year's debt service on the bond is accumulated therein, and the payments into the Contingency Fund will be made over the life of the bond.

(19) SEWER CHARGES

The Town's sewer rate schedule is as follows:

	<u>Monthly Charge</u>
Base rate - 4,000 gallons	\$10.00
Each additional 1,000 gallons	2.00

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>ASSETS</u>		
Cash	\$84,702	\$167,507
Receivables, net of allowances for uncollectibles		
Property taxes	1,290	2,469
Franchise	13,120	10,173
Intergovernmental	70,623	43,182
Other	118	82
Due from other funds	<u>30,047</u>	<u>28,636</u>
<u>Total assets</u>	<u>199,900</u>	<u>252,049</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	\$6,799	\$12,257
Due to other funds	<u>8,763</u>	<u>2,449</u>
<u>Total liabilities</u>	<u>15,562</u>	<u>14,706</u>
 <u>FUND BALANCE</u>		
Unreserved	<u>184,338</u>	<u>237,343</u>
<u>Total fund balance</u>	<u>184,338</u>	<u>237,343</u>
 <u>Total liabilities and fund equity</u>	 <u>199,900</u>	 <u>252,049</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>		VARIANCE -	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	2000
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$52,249	\$61,554	\$9,305	\$51,017
Licenses and permits	30,010	34,659	4,649	27,891
Intergovernmental	303,170	346,754	43,584	371,960
Fines and forfeits	5,788	12,732	6,944	34,080
Miscellaneous	<u>21,170</u>	<u>29,391</u>	<u>8,221</u>	<u>21,235</u>
<u>Total revenues</u>	<u>412,387</u>	<u>485,090</u>	<u>72,703</u>	<u>506,183</u>
<u>EXPENDITURES</u>				
Current operating				
Executive and				
administrative	138,015	147,872	(9,857)	123,275
Street department	118,678	124,264	(5,586)	120,424
Police department	225,463	219,103	6,360	186,015
Fire department	21,542	16,351	5,191	34,589
Park department	<u>22,489</u>	<u>6,822</u>	<u>15,667</u>	<u>6,965</u>
<u>Total expenditures</u>	<u>526,187</u>	<u>514,412</u>	<u>11,775</u>	<u>471,268</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(113,800)</u>	<u>(29,322)</u>	<u>84,478</u>	<u>34,915</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	9,195	6,197	(2,998)	104,672
Operating transfers out	<u>(27,154)</u>	<u>(29,880)</u>	<u>(2,726)</u>	<u>(39,678)</u>
<u>Total other financing</u>				
<u>sources (uses)</u>	<u>(17,959)</u>	<u>(23,683)</u>	<u>(5,724)</u>	<u>64,994</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>(131,759)</u>	<u>(53,005)</u>	<u>78,754</u>	99,909
<u>FUND BALANCE, beginning of year</u>		<u>237,343</u>		<u>137,434</u>
<u>FUND BALANCE, end of year</u>		<u>184,338</u>		<u>237,343</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>		VARIANCE - FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>TAXES</u>				
Property taxes	\$13,375	\$11,871	\$(1,504)	\$12,063
Franchise - cable television	838	1,561	723	1,447
Franchise - telephone	344	360	16	448
Franchise - electric	<u>37,692</u>	<u>47,762</u>	<u>10,070</u>	<u>37,059</u>
<u>Total taxes</u>	<u>52,249</u>	<u>61,554</u>	<u>9,305</u>	<u>51,017</u>
<u>LICENSES AND PERMITS</u>				
Occupational licenses	30,010	33,026	3,016	26,978
Building permits		1,633	1,633	793
Moving permits				120
<u>Total licenses and     permits</u>	<u>30,010</u>	<u>34,659</u>	<u>4,649</u>	<u>27,891</u>
<u>INTERGOVERNMENTAL</u>				
State beer tax	1,791	1,649	(142)	1,946
State tobacco tax	5,816		(5,816)	5,816
Housing Authority	3,958		(3,958)	4,568
Fire insurance rebate				2,745
State grants	16,010	16,010		42,446
Video poker revenue	250,595	303,635	53,040	314,439
Solid Waste	<u>25,000</u>	<u>25,460</u>	<u>460</u>	
<u>Total intergovernmental</u>	<u>303,170</u>	<u>346,754</u>	<u>43,584</u>	<u>371,960</u>
<u>FINES</u>				
Court fines	<u>5,788</u>	<u>12,732</u>	<u>6,944</u>	<u>34,080</u>
<u>MISCELLANEOUS</u>				
Interest income		968	968	619
Sundry	5,135	6,963	1,828	4,865
Water meter fees	13,779	19,204	5,425	15,751
Gain on sale of assets	<u>2,256</u>	<u>2,256</u>		
<u>Total miscellaneous</u>	<u>21,170</u>	<u>29,391</u>	<u>8,221</u>	<u>21,235</u>
<u>Total revenues</u>	<u>412,387</u>	<u>485,090</u>	<u>72,703</u>	<u>506,183</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>		VARIANCE - FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>EXECUTIVE AND ADMINISTRATIVE</u>				
<u>Personal services</u>				
Salaries - Clerical	\$33,259	\$35,730	\$(2,471)	\$35,548
Salaries - Mayor and Council	16,200	17,700	(1,500)	16,575
Payroll taxes	2,104	2,600	(496)	2,623
<u>Supplies</u>				
Office supplies and postage	16,863	15,460	1,403	12,493
<u>Other</u>				
Conventions and conferences	4,086	5,934	(1,848)	3,964
Advertising	1,055	647	408	1,041
Dues and subscriptions	1,889	2,270	(381)	1,268
Engineering fees	3,150	1,300	1,850	2,277
Equipment rental	772	1,041	(269)	1,993
Equipment lease	2,385		2,385	321
Insurance	19,293	9,657	9,636	8,392
Legal and accounting	18,009	15,319	2,690	17,780
Miscellaneous	2,732	6,423	(3,691)	7,666
Notices and publications	1,591	1,193	398	139
Pest control	427	384	43	384
Repairs and maintenance	1,460	3,452	(1,992)	
Planning committee				40
Telephone	4,685	4,253	432	3,551
Utilities	5,923	5,558	365	4,520
Bank charges	59	323	(264)	
Town beautification	615	597	18	
Uniforms		533	(533)	
Capital outlay	<u>1,458</u>	<u>17,498</u>	<u>(16,040)</u>	<u>2,700</u>
<u>Total executive and administrative</u>	<u>138,015</u>	<u>147,872</u>	<u>(9,857)</u>	<u>123,275</u>
<u>STREET DEPARTMENT</u>				
<u>Personal services</u>				
Salaries	27,715	28,409	(694)	24,220
Payroll taxes	2,033	2,526	(493)	1,798
<u>Supplies</u>				
Materials and supplies	12,991	10,307	2,684	9,836
Uniforms	148	252	(104)	1,090

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>		VARIANCE - FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>STREET DEPARTMENT (Continued)</u>				
<u>Other</u>				
Auto and truck expense	\$14,056	\$13,476	\$580	\$13,260
Repairs and maintenance	8,887	11,142	(2,255)	5,312
Insurance	8,269	7,779	490	8,394
Utilities	16,346	16,738	(392)	16,320
Tractor expense	113	1,309	(1,196)	72
Miscellaneous		2,286	(2,286)	2,374
Equipment rental	120	50	70	480
Capital outlay	<u>28,000</u>	<u>29,990</u>	<u>(1,990)</u>	<u>37,268</u>
<u>Total street department</u>	<u>118,678</u>	<u>124,264</u>	<u>(5,586)</u>	<u>120,424</u>
<u>POLICE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	136,328	133,157	3,171	123,336
Payroll taxes	10,200	9,970	230	8,210
<u>Supplies</u>				
Materials and supplies	4,102	6,755	(2,653)	7,753
Uniforms	3,477	2,947	530	1,072
<u>Other</u>				
Insurance	32,156	28,899	3,257	21,137
Auto expense	17,201	12,444	4,757	12,333
Telephone	3,515	4,915	(1,400)	4,111
Repairs	1,801	3,504	(1,703)	2,066
Miscellaneous	4,877	1,544	3,333	1,809
Prisoner meals	3,437	2,674	763	1,148
Radio rental	2,590	2,590		
Fees on fines	1,724	1,724		
Autopsy fees	4,055	4,055		
Capital outlay		<u>3,925</u>	<u>(3,925)</u>	<u>3,040</u>
<u>Total police department</u>	<u>225,463</u>	<u>219,103</u>	<u>6,360</u>	<u>186,015</u>
<u>FIRE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	2,364	1,990	374	2,333
Payroll taxes	153	17	136	33

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>		VARIANCE -	2000
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	<u>ACTUAL</u>
			(UNFAVORABLE)	
<u>FIRE DEPARTMENT (Continued)</u>				
<u>Supplies</u>				
Materials and supplies	\$5,110	\$2,355	\$2,755	\$20,406
<u>Other</u>				
Telephone	6,288	6,502	(214)	6,203
Utilities	1,882	1,624	258	1,848
Insurance	2,756	1,504	1,252	1,426
Truck expense	371	119	252	423
Miscellaneous	439	211	228	424
Repairs and maintenance	<u>2,179</u>	<u>2,029</u>	<u>150</u>	<u>1,493</u>
<u>Total fire department</u>	<u>21,542</u>	<u>16,351</u>	<u>5,191</u>	<u>34,589</u>
 <u>PARK DEPARTMENT</u>				
<u>Personal Services</u>				
Salaries	180		180	
Payroll taxes	14		14	
<u>Other</u>				
Insurance	1,837	1,158	679	1,662
Supplies	4,948	5,664	(716)	5,303
Capital outlay	<u>15,510</u>	<u>          </u>	<u>15,510</u>	<u>          </u>
<u>Total park department</u>	<u>22,489</u>	<u>6,822</u>	<u>15,667</u>	<u>6,965</u>
<u>Total expenditures</u>	<u>526,187</u>	<u>514,412</u>	<u>11,775</u>	<u>471,268</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources legally restricted to expenditures for specified current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets.

The Sales Tax Fund is used to account for the collection and expenditure of the Town's 1 percent sales tax.

The Housing Rehab Program Fund provides installation and repairs of homes owned by very low-income individuals.

TOWN OF GRAND COTEAU, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2001 AND 2000

	SALES TAX FUND	HOUSING REHAB PROGRAM FUND	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
<u>ASSETS</u>				
Cash	\$20,691	\$153	\$20,844	\$44,602
Due from other funds	<u>12,868</u>	—	<u>12,868</u>	<u>775</u>
<u>Total assets</u>	<u>33,559</u>	<u>153</u>	<u>33,712</u>	<u>45,377</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Due to other funds	—	\$400	<u>\$400</u>	<u>\$400</u>
<u>Total liabilities</u>	<u>-0-</u>	<u>400</u>	<u>400</u>	<u>400</u>
<u>FUND BALANCE</u>				
Unreserved	\$33,559	(247)	<u>33,312</u>	<u>44,977</u>
<u>Total fund balance</u>	<u>33,559</u>	<u>(247)</u>	<u>33,312</u>	<u>44,977</u>
<u>Total liabilities and fund equity</u>	<u>33,559</u>	<u>153</u>	<u>33,712</u>	<u>45,377</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	SALES TAX FUND	HOUSING REHAB PROGRAM FUND	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
<u>REVENUES</u>				
Taxes	\$70,005		\$70,005	\$67,879
Intergovernmental		\$295,350	295,350	247,112
Miscellaneous	<u>30</u>		<u>30</u>	<u>30</u>
<u>Total revenues</u>	<u>70,035</u>	<u>295,350</u>	<u>365,385</u>	<u>315,021</u>
<u>EXPENDITURES</u>				
Executive and administrative	<u>700</u>	<u>295,350</u>	<u>296,050</u>	<u>247,791</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>EXPENDITURES</u>	<u>69,335</u>	<u>-0-</u>	<u>69,335</u>	<u>67,230</u>
<u>OTHER FINANCING USES</u>				
Operating transfers out	(81,000)		(81,000)	(62,757)
<u>Total other financing uses</u>	<u>(81,000)</u>	<u>-0-</u>	<u>(81,000)</u>	<u>(62,757)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES AND OTHER</u>				
<u>USES</u>	(11,665)		(11,665)	4,473
<u>FUND BALANCE (DEFICIT), beginning of year</u>	<u>45,224</u>	<u>(247)</u>	<u>44,977</u>	<u>40,504</u>
<u>FUND BALANCE (DEFICIT), end of year</u>	<u>33,559</u>	<u>(247)</u>	<u>33,312</u>	<u>44,977</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>		<u>VARIANCE -</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>2000</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$66,101	\$70,005	\$3,904	\$67,879
Miscellaneous				
Interest income	<u>        </u>	<u>        30</u>	<u>        30</u>	<u>        30</u>
<u>Total revenues</u>	<u>66,101</u>	<u>70,035</u>	<u>3,934</u>	<u>67,909</u>
<u>EXPENDITURES</u>				
Executive and administrative				
Miscellaneous	<u>        661</u>	<u>        700</u>	<u>        (39)</u>	<u>        679</u>
<u>Total expenditures</u>	<u>        661</u>	<u>        700</u>	<u>        (39)</u>	<u>        679</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>EXPENDITURES</u>	<u>65,440</u>	<u>69,335</u>	<u>3,895</u>	<u>67,230</u>
<u>OTHER FINANCING USES</u>				
Operating transfers out	(103,593)	(81,000)	22,593	(62,757)
<u>Total other financing</u>				
<u>uses</u>	<u>(103,593)</u>	<u>(81,000)</u>	<u>22,593</u>	<u>(62,757)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER USES</u>	<u>(38,153)</u>	<u>(11,665)</u>	<u>26,488</u>	<u>4,473</u>
<u>FUND BALANCE, beginning of year</u>				
		<u>45,224</u>		<u>40,751</u>
<u>FUND BALANCE, end of year</u>				
		<u>33,559</u>		<u>45,224</u>

TOWN OF GRAND COTEAU, LOUISIANA  
HOUSING REHAB PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	2001		VARIANCE -	2000
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Intergovernmental				
Federal grants	\$302,717	\$295,350	\$(7,367)	\$247,112
<u>Total revenues</u>	<u>302,717</u>	<u>295,350</u>	<u>(7,367)</u>	<u>247,112</u>
<u>EXPENDITURES</u>				
Executive and administrative				
Supplies	312	312		
Engineering fees	36,429	36,429		27,000
Miscellaneous	1,560	1,560		872
Pest control	6,483	6,483		3,175
Repairs and maintenance	257,933	250,566	7,367	216,065
<u>Total expenditures</u>	<u>302,717</u>	<u>295,350</u>	<u>7,367</u>	<u>247,112</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
	<u>-0-</u>		<u>-0-</u>	
<u>FUND BALANCE (DEFICIT),</u>				
beginning of year		(247)		(247)
<u>FUND BALANCE (DEFICIT),</u>				
end of year		<u>(247)</u>		<u>(247)</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

TOWN OF GRAND COTEAU, LOUISIANA  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>ASSETS</u>	---	---
<u>Total assets</u>	<u>-0-</u>	<u>-0-</u>
 <u>LIABILITIES AND FUND EQUITY</u>	 ---	 ---
<u>Total liabilities and fund equity</u>	<u>-0-</u>	<u>-0-</u>

TOWN OF GRAND COTEAU, LOUISIANA  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>REVENUES</u>	<u>-0-</u>	<u>-0-</u>
<u>EXPENDITURES</u>		
Debt service		
Notes paid		\$20,712
Interest paid		1,018
Capital lease payments	\$5,969	<u>5,392</u>
<u>Total expenditures</u>	<u>5,969</u>	<u>27,122</u>
<u>DEFICIENCY OF REVENUES</u>		
<u>UNDER EXPENDITURES</u>	<u>(5,969)</u>	<u>(27,122)</u>
<u>OTHER FINANCING SOURCES</u>		
Operating transfers in	<u>5,969</u>	<u>27,122</u>
<u>Total other financing sources</u>	<u>5,969</u>	<u>27,122</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u>		
<u>OTHER SOURCES OVER (UNDER) EXPENDITURES</u>		
<u>FUND BALANCE, beginning of year</u>	<u>-----</u>	<u>-----</u>
<u>FUND BALANCE, end of year</u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds.

The Capital Projects Fund was used to account for the street improvement project in the last fiscal year and is now being used to account for the Water Tower Painting Project. The Water Tower Painting Project is still under construction as of June 30, 2001.

TOWN OF GRAND COTEAU, LOUISIANA  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>ASSETS</u>		
Cash	\$266	\$266
Investments	22,020	21,139
Other receivable	<u>94</u>	<u>94</u>
<u>Total assets</u>	<u>22,380</u>	<u>21,499</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to other funds	<u>\$100</u>	<u>\$100</u>
<u>Total liabilities</u>	<u>100</u>	<u>100</u>
<u>FUND BALANCE</u>		
Reserved for construction	<u>22,280</u>	<u>21,399</u>
<u>Total fund balance</u>	<u>22,280</u>	<u>21,399</u>
<u>Total liabilities and fund balance</u>	<u>22,380</u>	<u>21,499</u>

TOWN OF GRAND COTEAU, LOUISIANA  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>REVENUES</u>		
Miscellaneous		
Interest income	<u>\$881</u>	<u>\$712</u>
<u>Total revenues</u>	<u>881</u>	<u>712</u>
<u>EXPENDITURES</u>		
Capital projects		
Construction costs	<u>          </u>	<u>3,108</u>
<u>Total expenditures</u>	<u>-0-</u>	<u>3,108</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	881	(2,396)
<u>FUND BALANCE, beginning of year</u>	<u>21,399</u>	<u>23,795</u>
<u>FUND BALANCE, end of year</u>	<u>22,280</u>	<u>21,399</u>

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2001 AND 2000

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>2001</u>	<u>2000</u>
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Cash	\$2,748	\$21,305	\$4,460	\$28,513	\$58,224
Investments	957			957	904
Accounts receivable, net	19,292	12,205	15,213	46,710	49,453
Accrued interest receivable	59		89	148	109
Prepaid insurance	3,577	1,896	12,642	18,115	16,511
Due from other funds	<u>2,826</u>	<u>6,487</u>	<u>8,237</u>	<u>17,550</u>	<u>17,094</u>
<u>Total current assets</u>	<u>29,459</u>	<u>41,893</u>	<u>40,641</u>	<u>111,993</u>	<u>142,295</u>
<u>RESTRICTED ASSETS</u>					
Cash	21,496	60,299	22,725	104,520	95,123
Investments	<u>33,138</u>		<u>23,310</u>	<u>56,448</u>	<u>53,383</u>
<u>Total restricted assets</u>	<u>54,634</u>	<u>60,299</u>	<u>46,035</u>	<u>160,968</u>	<u>148,506</u>
<u>FIXED ASSETS</u>					
Utility plant and depreciable assets, net of accumulated depreciation	<u>80,030</u>	<u>448,441</u>	<u>2,080,762</u>	<u>2,609,233</u>	<u>2,722,609</u>
<u>Total fixed assets</u>	<u>80,030</u>	<u>448,441</u>	<u>2,080,762</u>	<u>2,609,233</u>	<u>2,722,609</u>
 <u>Total assets</u>	 <u>164,123</u>	 <u>550,633</u>	 <u>2,167,438</u>	 <u>2,882,194</u>	 <u>3,013,410</u>

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2001 AND 2000

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>2001</u>	<u>2000</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>CURRENT LIABILITIES (from current assets)</u>					
Accounts payable	\$7,249	\$696	\$849	\$8,794	\$4,063
Due to other funds	<u>16,748</u>	<u>25,534</u>	<u>3,141</u>	<u>45,423</u>	<u>38,803</u>
<u>Total</u>	<u>23,997</u>	<u>26,230</u>	<u>3,990</u>	<u>54,217</u>	<u>42,866</u>
<u>CURRENT LIABILITIES (from restricted assets)</u>					
Revenue bonds payable		11,169	16,429	27,598	26,495
Interest payable		3,314	3,548	6,862	7,150
Customers' deposits	<u>27,518</u>	<u>12,428</u>		<u>39,946</u>	<u>40,327</u>
<u>Total</u>	<u>27,518</u>	<u>26,911</u>	<u>19,977</u>	<u>74,406</u>	<u>73,972</u>
<u>Total current liabilities</u>	<u>51,515</u>	<u>53,141</u>	<u>23,967</u>	<u>128,623</u>	<u>116,838</u>
<u>LONG-TERM LIABILITIES</u>					
Revenue bonds payable		192,362	368,888	561,250	589,242
<u>Total long-term liabilities</u>	<u>-0-</u>	<u>192,362</u>	<u>368,888</u>	<u>561,250</u>	<u>589,242</u>
<u>Total liabilities</u>	<u>51,515</u>	<u>245,503</u>	<u>392,855</u>	<u>689,873</u>	<u>706,080</u>
<u>FUND EQUITY</u>					
Contributed capital					
Contribution from municipality					
	951		7,379	8,330	8,330
Contribution from federal and state grants					
	<u>89,745</u>	<u>278,400</u>	<u>2,261,404</u>	<u>2,629,549</u>	<u>2,629,549</u>
<u>Total contributed capital</u>	<u>90,696</u>	<u>278,400</u>	<u>2,268,783</u>	<u>2,637,879</u>	<u>2,637,879</u>
Retained earnings (deficit)					
Reserved for customers' deposits					
	27,116	7,205		34,321	31,136
Reserved for bond retirement					
		26,183	26,058	52,241	43,398
Unreserved retained earnings					
	<u>(5,204)</u>	<u>(6,658)</u>	<u>(520,258)</u>	<u>(532,120)</u>	<u>(405,083)</u>
<u>Total retained earnings (deficit)</u>	<u>21,912</u>	<u>26,730</u>	<u>(494,200)</u>	<u>(445,558)</u>	<u>(330,549)</u>
<u>Total fund equity</u>	<u>112,608</u>	<u>305,130</u>	<u>1,774,583</u>	<u>2,192,321</u>	<u>2,307,330</u>
<u>Total liabilities and fund equity</u>	<u>164,123</u>	<u>550,633</u>	<u>2,167,438</u>	<u>2,882,194</u>	<u>3,013,410</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>2001</u>	<u>2000</u>
<u>OPERATING REVENUES</u>					
Charges for services	<u>\$207,724</u>	<u>\$91,553</u>	<u>\$84,896</u>	<u>\$384,173</u>	<u>\$348,435</u>
<u>Net charges for services</u>	<u>207,724</u>	<u>91,553</u>	<u>84,896</u>	<u>384,173</u>	<u>348,435</u>
Miscellaneous income	<u>662</u>	<u>230</u>	<u>440</u>	<u>1,332</u>	<u>3,625</u>
<u>Total operating revenues</u>	<u>208,386</u>	<u>91,783</u>	<u>85,336</u>	<u>385,505</u>	<u>352,060</u>
<u>OPERATING EXPENSES</u>					
Personal services	<u>9,749</u>	<u>19,655</u>	<u>30,634</u>	<u>60,038</u>	<u>67,401</u>
Contractual services	<u>205,934</u>		<u>5,195</u>	<u>211,129</u>	<u>85,655</u>
Supplies	<u>19,520</u>	<u>10,986</u>	<u>2,755</u>	<u>33,261</u>	<u>15,892</u>
Other expenses	<u>35,599</u>	<u>36,932</u>	<u>69,959</u>	<u>142,490</u>	<u>84,353</u>
Depreciation	<u>9,529</u>	<u>37,218</u>	<u>74,164</u>	<u>120,911</u>	<u>121,316</u>
<u>Total operating expenses</u>	<u>280,331</u>	<u>104,791</u>	<u>182,707</u>	<u>567,829</u>	<u>374,617</u>
<u>OPERATING LOSS</u>	<u>(71,945)</u>	<u>(13,008)</u>	<u>(97,371)</u>	<u>(182,324)</u>	<u>(22,557)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Interest income	<u>1,969</u>	<u>1,133</u>	<u>1,928</u>	<u>5,030</u>	<u>4,182</u>
Interest expense		<u>(13,839)</u>	<u>(22,591)</u>	<u>(36,430)</u>	<u>(38,486)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>1,969</u>	<u>(12,706)</u>	<u>(20,663)</u>	<u>(31,400)</u>	<u>(34,304)</u>
<u>LOSS BEFORE OPERATING TRANSFERS</u>	<u>(69,976)</u>	<u>(25,714)</u>	<u>(118,034)</u>	<u>(213,724)</u>	<u>(56,861)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>					
Operating transfers in	<u>27,958</u>	<u>5,961</u>	<u>64,796</u>	<u>98,715</u>	<u>13,001</u>
Operating transfers out					<u>(42,360)</u>
<u>Total operating transfers in (out)</u>	<u>27,958</u>	<u>5,961</u>	<u>64,796</u>	<u>98,715</u>	<u>(29,359)</u>
<u>NET LOSS</u>	<u>(42,018)</u>	<u>(19,753)</u>	<u>(53,238)</u>	<u>(115,009)</u>	<u>(86,220)</u>
<u>RETAINED EARNINGS (DEFICIT), beginning of year</u>					
	<u>63,930</u>	<u>46,483</u>	<u>(440,962)</u>	<u>(330,549)</u>	<u>(244,329)</u>
<u>RETAINED EARNINGS (DEFICIT), end of year</u>					
	<u>21,912</u>	<u>26,730</u>	<u>(494,200)</u>	<u>(445,558)</u>	<u>(330,549)</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>2001</u>	<u>2000</u>
<u>CASH FLOWS FROM OPERATING</u>					
<u>ACTIVITIES</u>					
Cash received from customers	\$205,348	\$92,938	\$89,581	\$387,867	\$347,278
Cash payments to suppliers for goods and services	(251,194)	(43,788)	(82,607)	(377,589)	(201,918)
Cash payments to employees for services	(9,749)	(19,655)	(30,634)	(60,038)	(67,401)
<u>Net cash provided (used) by operating activities</u>	<u>(55,595)</u>	<u>29,495</u>	<u>(23,660)</u>	<u>(49,760)</u>	<u>77,959</u>
<u>CASH FLOWS FROM NONCAPITAL</u>					
<u>FINANCING ACTIVITIES</u>					
Operating transfers in from other funds	27,958	5,961	64,796	98,715	13,001
Operating transfers out to other funds	-----	-----	-----	-----	(42,360)
<u>Net cash provided (used) for noncapital financing activities</u>	<u>27,958</u>	<u>5,961</u>	<u>64,796</u>	<u>98,715</u>	<u>(29,359)</u>
<u>CASH FLOWS FROM CAPITAL AND</u>					
<u>RELATED FINANCING ACTIVITIES</u>					
Acquisition and construction of capital assets	(7,535)			(7,535)	(8,536)
Principal paid on revenue bonds and notes		(10,832)	(16,057)	(26,889)	(24,128)
Interest paid on revenue bonds and notes	-----	(14,021)	(22,697)	(36,718)	(39,021)
<u>Net cash used for capital and related financing activities</u>	<u>(7,535)</u>	<u>(24,853)</u>	<u>(38,754)</u>	<u>(71,142)</u>	<u>(71,685)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(1,879)		(1,239)	(3,118)	(2,580)
Interest on investments	1,956	1,133	1,902	4,991	4,174
<u>Net cash provided by investing activities</u>	<u>77</u>	<u>1,133</u>	<u>663</u>	<u>1,873</u>	<u>1,594</u>
<u>Net increase (decrease) in cash</u>	<u>(35,095)</u>	<u>11,736</u>	<u>3,045</u>	<u>(20,314)</u>	<u>(21,491)</u>
<u>CASH AND CASH EQUIVALENTS,</u>					
July 1, 2000	<u>59,339</u>	<u>69,868</u>	<u>24,140</u>	<u>153,347</u>	<u>174,838</u>
<u>CASH AND CASH EQUIVALENTS,</u>					
June 30, 2001	<u>24,244</u>	<u>81,604</u>	<u>27,185</u>	<u>133,033</u>	<u>153,347</u>

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>2001</u>	<u>2000</u>
<u>RECONCILIATION OF OPERATING</u>					
<u>INCOME TO NET CASH PROVIDED</u>					
<u>(USED) BY OPERATING ACTIVITIES</u>					
Operating loss	\$(71,945)	\$(13,008)	\$(97,371)	\$(182,324)	\$(22,557)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	9,529	37,218	74,164	120,911	121,316
(Increase) decrease in accounts receivable	(2,687)	1,185	4,245	2,743	(4,793)
(Increase) decrease in prepaid insurance	7	(157)	(1,454)	(1,604)	(5,872)
(Increase) decrease in due from other funds		(248)	(208)	(456)	(3,145)
Increase (decrease) in accounts payable	4,211	457	63	4,731	(11,317)
Net increase (decrease) in customers' deposits	(351)	(30)		(381)	11
Increase (decrease) in due to other funds	<u>5,641</u>	<u>4,078</u>	<u>(3,099)</u>	<u>6,620</u>	<u>4,316</u>
<u>Total adjustments</u>	<u>16,350</u>	<u>42,503</u>	<u>73,711</u>	<u>132,564</u>	<u>100,516</u>
 <u>Net cash provided (used)</u> <u>by operating activities</u>	 <u>(55,595)</u>	 <u>29,495</u>	 <u>(23,660)</u>	 <u>(49,760)</u>	 <u>77,959</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>GAS FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	\$9,402	\$21,411
Payroll taxes	347	1,514
<u>Contractual services</u>		
Gas purchases	203,534	75,490
Survey expense	2,400	5,900
<u>Supplies</u>		
Materials and supplies	19,520	8,005
<u>Other</u>		
Engineering		352
Legal and accounting	5,265	5,780
Insurance	9,899	9,525
Repairs and maintenance	9,465	377
Seminar expense	370	76
Utilities	2,913	2,505
Telephone	653	1,071
Miscellaneous	2,483	1,612
Sales tax expense	4,551	
<u>Depreciation</u>	<u>9,529</u>	<u>10,787</u>
<u>Total gas fund expenses</u>	<u>280,331</u>	<u>144,405</u>
<u>WATER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	18,009	13,843
Payroll taxes	1,646	1,153
<u>Supplies</u>		
Materials and supplies	10,986	6,211

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>WATER FUND EXPENSES (Continued)</u>		
<u>Other</u>		
Legal and accounting	\$5,265	\$5,780
Insurance	6,629	7,066
Utilities	11,219	10,201
Repairs and maintenance	8,314	10,047
Telephone	1,042	1,297
Miscellaneous	2,754	631
Seminar expense	55	
Engineering	1,654	1,308
<u>Depreciation</u>	<u>37,218</u>	<u>36,365</u>
<u>Total water fund expenses</u>	<u>104,791</u>	<u>93,902</u>
<u>SEWER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	28,464	27,479
Payroll taxes	2,170	2,001
<u>Contractual services</u>		
Analysis expense	5,195	4,265
<u>Supplies</u>		
Materials and supplies	2,755	1,676
<u>Other</u>		
Bad debt expense	3,826	2,942
Engineering	4,704	988
Legal and accounting	610	2,457
Repairs and maintenance	26,617	3,429
Utilities	24,095	11,035
Insurance	9,442	3,263
Miscellaneous	665	2,611
<u>Depreciation</u>	<u>74,164</u>	<u>74,164</u>
<u>Total sewer fund expenses</u>	<u>182,707</u>	<u>136,310</u>
<u>Total operating expenses</u>	<u>567,829</u>	<u>374,617</u>

FIDUCIARY FUND TYPE

Fiduciary Fund Types include Trust and Agency Funds which are used to account for the assets held by a government in a trustee capacity or as an Agent for individuals, private organizations, other governments, and/or other funds.

The payroll account is used to account for the Town's payroll and related expenses.

TOWN OF GRAND COTEAU, LOUISIANA  
FIDUCIARY FUND TYPE  
BALANCE SHEET  
JUNE 30, 2001 AND 2000

	AGENCY FUND - PAYROLL ACCOUNT	
	2001	2000
<u>ASSETS</u>		
Cash	\$10,439	\$12,890
Other receivable	145	23
Due from other funds	<u>1,433</u>	<u>1,690</u>
<u>Total assets</u>	<u>12,017</u>	<u>14,603</u>
<u>LIABILITIES</u>		
Payroll taxes payable	\$911	\$5,231
Retirement payable	120	120
Insurance payable	468	
Other payable	3,306	2,809
Due to other funds	<u>7,212</u>	<u>6,443</u>
<u>Total liabilities</u>	<u>12,017</u>	<u>14,603</u>

FINANCIAL STATEMENTS OF ACCOUNT GROUPS

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in proprietary fund operations.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF GENERAL FIXED ASSETS  
JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>GENERAL FIXED ASSETS AT COST</u>		
Land	\$75,171	\$75,171
Buildings	205,354	205,354
Improvements other than buildings	433,392	404,902
Equipment	220,688	233,326
Other structures	<u>135,041</u>	<u>119,531</u>
<u>Total general fixed assets</u>	<u>1,069,646</u>	<u>1,038,284</u>
 <u>INVESTMENTS IN GENERAL FIXED ASSETS FROM</u>		
General Fund	\$305,322	\$273,960
Enterprise Funds	30,818	30,818
Sales Tax Fund	7,737	7,737
Federal Revenue Sharing Fund	26,615	26,615
Federal grants	327,614	327,614
State grants	<u>371,540</u>	<u>371,540</u>
<u>Total investments in general fixed assets</u>	<u>1,069,646</u>	<u>1,038,284</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group accounts for long-term debt intended to be financed from governmental funds.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF GENERAL LONG-TERM DEBT  
JUNE 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>AMOUNT TO BE PROVIDED FOR THE</u>		
<u>PAYMENT OF GENERAL LONG-TERM DEBT</u>		
Amount to be provided for retirement of general long-term debt obligations	\$ <u>9,177</u>	\$ <u>13,348</u>
<u>Total to be provided</u>	<u>9,177</u>	<u>13,348</u>
<u>GENERAL LONG-TERM DEBT</u>		
Capital lease payable - police radar		\$1,038
Capital lease payable - copiers	\$ <u>9,177</u>	<u>12,310</u>
<u>Total general long-term debt</u>	<u>9,177</u>	<u>13,348</u>

RELATED REPORTS

Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Darren J. Carl, CPA  
 Michael A. Roy, CPA



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
 FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
 STATEMENTS PERFORMED IN ACCORDANCE WITH  
 GOVERNMENT AUDITING STANDARDS

The Honorable Jean C. Coco, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 2001, and have issued our report thereon dated February 6, 2002. In our report, our opinion on the financial statements was qualified because of the inadequacy of accounting records on general fixed assets and we were unable to satisfy ourselves by means of other audit procedures. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Grand Coteau's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as findings 2001-1, 2001-2, 2001-3, and 2001-4.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Town of Grand Coteau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Grand Coteau's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as findings 2001-3, 2001-5, 2001-6, 2001-7, 2001-8, 2001-9, and 2001-10.

The Honorable Jean C. Coco, Mayor  
and Members of the Board of Aldermen  
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider finding number 2001-3, 2001-5 and 2001-9 to be a material weakness.

This report is intended for the information of the Town of Grand Coteau, Louisiana, its Board of Aldermen, the appropriate regulatory or legislative body and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*John S. Dowling + Co.*

Opelousas, Louisiana  
February 6, 2002

SUPPLEMENTARY INFORMATION

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2001

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the general purpose financial statements of the Town of Grand Coteau, Louisiana.
2. Four instances of noncompliance material to the financial statements of the Town of Grand Coteau, Louisiana were disclosed during the audit.
3. Three material weaknesses and four reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. There was no single audit required under OMB Circular A-133.

B. 2001 FINDINGS - FINANCIAL STATEMENT AUDIT

Compliance

REPEAT COMMENT

2001-1 Inadequate Records for Fixed Assets

Condition: The Town of Grand Coteau, Louisiana does not have adequate inventory records for general fixed assets. Annual physical inventories are not conducted.

Criteria: Adequate records for general fixed assets are essential to prepare reliable financial statements. Annual physical inventories of property are required by LSA-RS 39:24.

Effect: The amounts reported as general fixed assets may not be accurate for financial statement purposes and requires the independent auditor to qualify his opinion.

Recommendation: A physical inventory should be taken annually for all movable property owned by the Town. We recommend that the Town place a value on all of the assets inventoried in order to obtain reasonable assurance that the amounts reported as general fixed assets are accurate for financial statement purposes.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2001

REPEAT COMMENT

2001-2 Bond Resolution and Council Policies

Condition: The Town did not fully comply with the collection procedures for utility accounts receivable described in the Bond Resolution dated April 1, 1989, with the collection procedures passed by the Council in a meeting held on May 14, 1990, nor with the formal adoption made in a meeting held on September 22, 1995. This formal adoption stated that the Town would follow the collection procedures listed in the Bond Resolution.

Criteria: The State Bond Commission requires that any town that has bonded debt be in full compliance with the Bond Resolution. The Council approved procedures must be followed to ensure that accounts receivable remain current.

Effect: Noncompliance with proper collection procedures resulted in some accounts becoming past due.

Recommendation: The Town should fully comply with the collection procedures for utility accounts receivable described in the Bond Resolution.

2001-3 Safeguarding of Supporting Documentation

Condition: The Town of Grand Coteau, Louisiana did not maintain adequate control over the safeguarding of supporting documentation such as invoices to support expenditures made and receipt books to support revenue received.

Criteria: The Town is required to maintain records for a period of three years.

Effect: Duplicate copies of invoices had to be used to support individual account balances in the financial statements.

Recommendation: The Town should maintain controls to ensure the proper safeguarding of documentation for the required period of three years.

2001-4 Untimely Financial Statement Audit

Condition: The audit of the Town of Grand Coteau's general purpose financial statements was not completed within six months of the close of the fiscal year.

Criteria: Louisiana Revised Statute 24:513 requires that audits shall be completed within six months of the close of the entity's fiscal year.

Effect: Documentation was not available to auditors in order to complete an audit within six months of the close of the fiscal year.

Recommendation: The Town of Grand Coteau should maintain and safeguard all records of supporting documentation and make available to auditors to ensure a timely audit of financial statements.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2001

Internal Control

REPEAT COMMENT

2001-5 Lack of Segregation of Duties

Condition: At times during the fiscal year, the Town Clerk was required to work alone in the office which left the Town with a lack of segregation of duties. Often the Town Clerk is required to collect payments on account, make deposits and post the same deposit into the general ledger.

Criteria: There should be a proper segregation of duties in performing the tasks mentioned above.

Effect: Errors or fraud could occur during the year and go unnoticed.

Recommendation: There can only be a proper segregation of duties when both the Town Clerk and the Assistant Clerk are performing their respective duties. However, if this is not the case, every attempt should be made to keep the general ledgers current which will allow the Mayor and Council to keep abreast of the Town's financial condition.

REPEAT COMMENT

2001-6 Accounts Receivable

Condition: The accounts receivable balance per the general ledger is not being compared to the accounts receivable balance per the billing system.

Criteria: Proper control over accounts receivable should be maintained.

Effect: Errors or irregularities could be made in the recording of deposits, billings or adjustments without being detected.

Recommendation: The accounts receivable balance per the general ledger should be compared to the accounts receivable balance per the billing system at the end of each month.

REPEAT COMMENT

2001-7 Inadequate and Untimely Financial Statements

Condition: Adequate and timely financial statements are not being prepared.

Criteria: The Town Clerk is not preparing adequate and timely financial statements. In order to properly monitor the Town of Grand Coteau's financial position, complete financial statements should be prepared monthly.

Effect: Errors and misclassifications are not discovered and corrected on a timely basis. The status of all funds' fund balances/retained earnings is determined only after the audit adjustments are made and the audit is completed.

Recommendation: We recommend that adequate and timely financial statements be prepared on a monthly basis in order for the Town to be aware of the financial status and allow them to make informed decisions.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2001

REPEAT COMMENT

2001-8 Absence of Approval of Billing Adjustments

Condition: It was noted during the course of our audit that several billing adjustments were not properly approved by the Mayor and several were not posted to the customer's account.

Criteria: The Town of Grand Coteau's internal control system includes a procedure whereby all billing adjustments are approved by the Mayor before the adjustment is made.

Effect: Billing adjustments were made and have no documentation showing proper approval.

Recommendation: All billing adjustments of the Town of Grand Coteau should have prior approval from the Mayor.

2001-9 Issuance of Fines

Condition: There is a deficiency in the internal control system over the issuance and safeguarding of ticket books and fine receipt books.

Criteria: Louisiana Revised Statute 24:514, 24:515 and/or 33:463 requires that accounting records be maintained in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements. The Town is also required to maintain records for fine revenue for a period of three years.

Effect: Collections of fine revenues could not be traced to a specific receipt or ticket.

Recommendation: Prenumbered receipt books and ticket books should be used for all collections of fines to ensure proper accountability. Also, ticket books should be kept only at the police station to avoid improper use.

2001-10 Improper Sales Tax Collections

Condition: The Town of Grand Coteau, Louisiana has been remitting the appropriate 4% of sales taxes on gas and water sales which is required to be remitted to the Louisiana Department of Revenue and Taxation. However, the Town has been collecting sales taxes of only 3% from the customers.

Criteria: The Town is required to collect sales taxes of 4% from customers in order to accumulate the appropriate amount to remit.

Effect: A failure in the internal control system allowed the Town to remit more sales taxes than were actually collected from the customers.

Recommendation: The Town of Grand Coteau should verify that the amount being calculated by the billing system is the same as the amount being remitted.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2001

	INTEREST		ISSUE DATE	FINAL MATURITY DATE	ANNUAL SERIAL PAYMENTS	BONDS			
	RATES	PAYMENT DATE				AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
<u>REVENUE BONDS</u>									
Sewerage utility	7.20%	10/02 04/02	10/01/89	4/01/2011	Varies	\$206,829	\$206,829	\$35,446	\$171,383
Water utility	7.20%	10/02 04/02	10/01/89	4/01/2011	Varies	108,049	108,049	18,518	89,531
Sewerage utility	4.50%	17th of each month	2/17/95	10/17/2036	Varies	225,000	225,000	11,066	213,934
Water utility	6.00%	10/02 04/02	7/01/98	4/01/2018	Varies	125,000	125,000	11,000	114,000
<u>Total revenue bonds</u>						<u>664,878</u>	<u>664,878</u>	<u>76,030</u>	<u>588,848</u>

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS  
JUNE 30, 2001

	<u>INTEREST RATES</u>	<u>MATURITY DATE</u>	<u>TOTAL BOOK VALUE</u>
<u>ENTERPRISE FUNDS</u>			
Certificate of Deposit Bank of Sunset and Trust Co.	6.00%	9/19/01	\$33,138
Certificate of Deposit Bank of Sunset and Trust Co.	6.00%	12/7/01	23,310
Certificate of Deposit Bank of Sunset and Trust Co.	6.00%	9/19/01	<u>957</u>
			57,405
<u>CAPITAL PROJECTS FUND</u>			
Certificate of Deposit Bank of Sunset and Trust Co.	3.75%	6/27/01	<u>22,020</u>
<u>Total</u>			<u>79,425</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 2001  
 (UNAUDITED)

<u>INSURER</u>	<u>ASSETS COVERED</u>	<u>TYPE OF COVERAGE</u>	<u>EFFECTIVE DATES LIMITS OF COVERAGE</u>	<u>FROM</u>	<u>TO</u>
Louisiana Municipal Risk Management Agency	Workmen's Compensation	Workmen's Compensation	Statutory	1/1/01	12/31/01
Risk Management	1961 GMC fire truck 1991 GMC truck 1992 Ford Ltd. truck 1993 Ford CRV 1991 Chevrolet 1991 Chevrolet 1997 Ford pickup 1983 Chevy dumptruck	Bodily injury Property damage	\$500,000	5/1/01	5/1/02
	Comprehensive and liability on premises and operations	Bodily injury Property damage	\$500,000	5/1/01	5/1/02
Western Surety Bond	Clerk and Assistant Clerk Mayor and Mayor Pro-Tem Town employees	Bond Bond Blanket Bond	\$52,000 \$71,000 \$5,000	9/15/00	9/15/01
The Hanover Insurance Company	Blanket on all properties and buildings of insured	Fire, extended coverage and vandalism	\$961,984 \$5,000 deductible	12/4/00	12/4/01
	1983 International tractor 1984 Ford backhoe 1996 Ford mower	Property damage	\$64,712 \$100 deductible	8/15/00	8/15/01
Risk Management	Law enforcement officers and public officials	Personal injury Property damage Errors and omissions	\$500,000 \$2,500 each claimant \$1,000 each claimant for law enforcement	5/1/01	5/1/02
Nationwide Insurance Company	Volunteer firemen	Health and accident		7/25/00	7/25/01
The Hanover Insurance Company	Mechanical and breakdown of equipment	Property damage Replacement Mechanical and electrical breakdown of equipment	\$8,000 \$2,500 deductible \$500 deductible	12/4/00	12/4/01

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO MAYOR AND COUNCIL  
FOR THE YEAR ENDED JUNE 30, 2001

GENERAL

COMPENSATION PAID TO MAYOR AND COUNCIL

The compensation of the Town of Grand Coteau's governing body is included in the general administrative expenditures of the General Fund. The Mayor is paid \$600 per month and the board members are paid \$150 per month. Board members are also paid \$75 for any special meetings attended.

	<u>COMPENSATION</u>
Jean C. Coco, Mayor P. O. Box 312 Grand Coteau, LA 70541 (337) 662-3838 Term expires December 31, 2002	\$7,200
Jonty Coco, Alderman P. O. Box 7 Grand Coteau, LA 70541 (337) 662-5255 Term expires December 31, 2002	2,100
Gail Lark, Alderwoman P. O. Box 462 Grand Coteau, LA 70541 (337) 662-5826 Term expires December 31, 2002	2,100
David T. Richard, Alderman P. O. Box 15 Grand Coteau, LA 70541 (337) 662-6905 Term expires December 31, 2002	2,100
Theogene Lavergne, Alderman P.O. Box 173 Grand Coteau, LA 70541 (337) 662-3738 Term expires December 31, 2002	2,100
Russell Richard, Jr., Alderman P.O. Box 117 Grand Coteau, LA 70541 (337) 662-3603 Term expires December 31, 2002	<u>2,100</u>
	<u>17,700</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2001

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

- 2000-1 Inadequate Records for Fixed Assets  
Unresolved - REPEAT COMMENT
- 2000-2 Bond Resolution and Council Policies  
Unresolved - REPEAT COMMENT
- 2000-3 Lack of Segregation of Duties  
Unresolved - REPEAT COMMENT
- 2000-4 Accounts Receivable  
Unresolved - REPEAT COMMENT
- 2000-5 Payroll  
Correction action taken.
- 2000-6 Inadequate and Untimely Financial Statements  
Unresolved - REPEAT COMMENT
- 2000-7 Absence of Approval of Billing Adjustments  
Unresolved - REPEAT COMMENT

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

SECTION III - MANAGEMENT LETTER

No findings.

# *Town of Grand Coteau*

"THE TOWN WITH A BRIGHT FUTURE"

P.O. Drawer G  
Grand Coteau, Louisiana 70541  
337/662-5246

## OFFICIALS

JEAN C. COCO, Mayor  
RAYMOND E. SIMMONS, Chief  
DENISE MOORE, CMC  
JESSICA A. MARCEL, Asst. Clerk

FEBRUARY 6, 2002

ALDERMEN  
JONTY COCO  
GAIL LARK  
DAVID RICHARD  
THEOGNE LAVERGNE  
RUSSELL ARNOLD RICHARD

LOUISIANA LEGISLATIVE AUDITOR  
P.O. BOX 94397  
BATON ROUGE, LA 70804-9397

THE TOWN OF GRAND COTEAU, LOUISIANA RESPECTFULLY SUBMITS THE  
FOLLOWING CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2001.

NAME AND ADDRESS OF INDEPENDENT PUBLIC ACCOUNTING FIRM:

JOHN S. DOWLING & COMPANY  
P.O. BOX 1549  
OPELOUSAS, LA 70571-1549

AUDIT PERIOD: YEAR ENDED JUNE 30, 2001

THE FINDINGS FROM THE JUNE 30, 2001 AUDIT REPORT AND MANAGEMENT  
LETTER ARE DISCUSSED BELOW. THE FINDINGS ARE NUMBERED CONSISTENTLY  
WITH THE NUMBERS ASSIGNED IN THE REPORT.

## FINDINGS- FINANCIAL STATEMENT AUDIT

2001-1 INADEQUATE RECORDS FOR FIXED ASSETS:

SERIOUS EFFORT WILL BE MADE TO ASSESS THE VALUE OF FIXED  
ASSETS OF THE TOWN OF GRAND COTEAU, LA., WITH A TENTATIVE  
COMPLETION DATE AS EARLY AS JUNE 30, 2002.

2001-2 BOND RESOLUTION AND COUNCIL POLICIES

THE TOWN OF GRAND COTEAU HAS BEEN ABLE TO TAKE CARE OF IT'S  
BOND INDEBTEDNESS IN A TIMELY MANNER AND WILL MAKE A CONCERTED  
EFFORT TO COLLECT UTILITY BILLS FROM ITS CUSTOMERS IN A TIMELY  
MANNER TO KEEP FULLY COMPLIANT WITH COLLECTION PROCEDURES  
STATED IN ITS BOND RESOLUTION AND COUNCIL POLICIES.

2001-3 SAFEGUARDING OF SUPPORTING DOCUMENTATION

TO ENSURE THE SAFEGUARDING OF SUPPORTING DOCUMENTS,  
EFFECTIVE IMMEDIATELY ALL RECEIPTS WERE MOVED FROM AN  
OPEN STORAGE AREA TO THE LOCKED OFFICE OF THE TOWN CLERK  
WHERE THEIR PRESENCE CAN BE MONITORED MORE FREQUENTLY  
AND EASILY.

2001-4 UNTIMELY FINANCIAL STATEMENT AUDIT

TO ENSURE THE TIMELINESS OF FINANCIAL STATEMENTS THE MAYOR HAS MOVED SUPPORTING DOCUMENTS NEEDED TO COMPLETE FINANCIAL STATEMENTS TO A SECURED (LOCKED) LOCATION WHERE THEY WILL BE ACCESSABLE AND AVAILABLE AS NEEDED BY THE AUDITORS

2001-5 LACK OF SEGREGATION OF DUTIES.

A SEGREGATION OF DUTIES HAS BEEN ESTABLISHED WHEN BOTH TOWN CLERK AND ASSISTANT TOWN CLERK ARE WORKING. THE MAYOR WILL INSIST THAT THE TOWN CLERK KEEP THE GENERAL LEDGER CURRENT SO THAT THE MAYOR AND COUNCIL MAY KEEP ABREAST OF THE TOWN'S FINANCIAL CONDITION WHEN THE SEGREGATIONS ARE NOT POSSIBLE.

2001-6 ACCOUNTS RECEIVABLE.

TO ENSURE THAT PROPER CONTROL OVER ACCOUNTS RECEIVABLES ARE MAINTAINED, THE MAYOR WILL INSIST THAT THE ACCOUNTS RECEIVABLE BALANCE PER THE GENERAL LEDGER PREPARED BY THE TOWN CLERK BE COMPARED TO THE ACCOUNTS RECEIVABLE BALANCE PREPARED BY THE ASSISTANT CLERK ON A MONTHLY BASIS, THUS KEEPING THE GENERAL LEDGER CURRENT.

2001-7 INDEAQUATE AND UNTIMELY FINANCIAL STATEMENTS.

THE MAYOR WILL INSIST THAT THE TOWN CLERK PREPARE ADEQUATE AND TIMELY FINANCIAL STATEMENTS ON A MONTHLY BASIS IN ORDER FOR THE TOWN TO BE AWARE OF THE FINANCIAL STATUS AND ALLOW THEM TO MAKE INFORMED DECISIONS.

2001-8 ABSENCE OF APPROVAL OF BILLING ADJUSTMENTS

THE MAYOR WILL INSTRUCT THE TOWN CLERK THAT ALL BILLING ADJUSTMENTS OF THE TOWN OF GRAND COTEAU SHOULD HAVE PRIOR APPROVAL FROM THE MAYOR. ALL ADJUSTMENTS SHOULD BE FILED TO ALLOW FOR AUDIT TRAIL.

2001-9 ISSUANCE OF FINES

TO ENSURE THE ISSUANCE OF FINES THE CHIEF OF POLICE WILL CONTINUE TO USE PRENUMBERED RECEIPTS BOOKS FOR ALL ISSURANCES OF FINES, KEEP ALL TICKET BOOKS AT THE POLICE STATION TO AVOID IMPROPER USE AND TURN INTO MAYOR'S OFFICE ALL TICKETS ISSUED OR VOIDED.

2001-10 IMPROPER SALES TAX COLLECTIONS

THE TOWN HAS CHANGED THE COLLECTION PERCENTAGE IN OUR COMPUTER SYSTEM AND WE ARE CURRENTLY COLLECTING AND REMITTING THE APPROPRIATE AMOUNT.

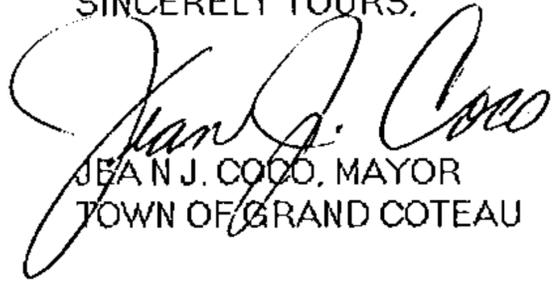
FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

NONE

FINDINGS- MANAGEMENT LETTER

NONE

SINCERELY YOURS,



JEAN J. COCO, MAYOR  
TOWN OF GRAND COTEAU